

SBA News

The Equipment Leasing Association (ELA) released survey results from the Small Business Administration's 50 state contest winners' on their habits and reasons for leasing equipment. Of the 23 respondents, 86 percent currently lease equipment with 62 percent saying they have leased in the past. More than 80 percent agree that leasing equipment is a good business strategy for meeting the demands of small businesses. ELA has surveyed the SBA winners for the last three years and results show that the percentage of survey participants who agreed that equipment leasing is a good business strategy increased from 74 percent in 2002, to 77 percent in 2003 to 81 percent in 2004. (Note: Survey respondents differ each year.)

Office equipment, computers and trucks/vehicles are the top equipment types leased, with 38 percent, 33 percent and 29 percent of respondents, respectively, leasing in those categories. More than 40 percent of respondents reported their need for technology equipment increased disproportionately to other equipment needs.

Other Key Findings:

Consistent expenses in budget plans is the top reported perceived benefit of equipment leasing with 48 percent of the respondents selecting this attribute. Increased cash flow followed as the second highest perceived benefit with 43 percent of respondents noting this attribute. Ability to have the latest equipment was the third most recognized benefit with 38 percent of respondents selecting this option.

- When evaluating financing options for equipment procurement, cash is number one competitor with 95 percent of survey participants considering this vehicle. Nearly half consider a bank loan, followed by 38 percent evaluating leasing for equipment acquisition.
- 62 percent of the respondents stated that the economic climate affects their equipment acquisition decisions, with interest rates most often cited as the determining factor whether or not to finance equipment (by 24 percent of respondents).
- Compared to previous years, the percentage of respondents who currently lease (86 percent) increased over the two previous years' percentages of respondents who were leasing (65 percent in 2003, 67 percent in 2002).

Office equipment has been the top equipment type leased for the last three years.



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